

Minutes of the Finance Committee

Wednesday, December 14, 2011

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Pamela Meyer, Rob Hutton, Bill Zaborowski, and Dave Falstad. Hutton left the meeting at 11:37 a.m. **Absent:** Ted Rolfs and Jim Heinrich.

Also Present: Chief of Staff Mark Mader, Business Manager Lyndsay Johnson, Inspector Steve Marks, Clerk of Courts Kathy Madden, Internal Audit Manager Lori Schubert, Medical Examiner Dr. Lynda Biedrzycki, Clinical Services Manager Mike DeMares, Senior Financial Analysts Clara Daniels and Bill Duckwitz, Parks System Manager Duane Grimm, Public Works Director Allison Bussler, Highway Operations Manager Pete Chladil, Business Manager Betsy Forrest, Treasurer Pam Reeves, Human Resources Analyst Andrea Bellman, Human Resources Manager Jim Richter, Criminal Justice Collaborating Council Coordinator Rebecca Luczaj, Administration Director Norm Cummings, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Journal/Sentinel Reporter Laurel Walker, Federated Library Director Tom Hennen, Senior Civil Engineer Karen Braun, Corporation Counsel Tom Farley, Attorney Nick Kotsonis, and Risk/Purchasing Manager Laura Stauffer. Recorded by Mary Pedersen, County Board Office.

Discuss and Consider Change of Budget Intent – Sheriff’s Department 2012 Adopted Budget
Johnson discussed this item as outlined in Sheriff Trawicki’s memo dated November 17, 2011. In an effort to meet the 2012 County Executive tax levy target, the 2012 budget included unfunding one full-time equivalent sheriff’s deputy position responsible for providing security screening at the courthouse entrance. Due to recent events that occurred in the courthouse, Trawicki is no longer comfortable unfunding the position. The County Executive and the Director of Administration are in agreement and this position will be funded using employee turnover savings and moving the temporary extra help back to the salary and benefit accounts. Haukohl spoke in support and said she was not comfortable when the position was eliminated during the 2012 budget process. She felt having an armed individual at the entrance is a good idea.

MOTION: Falstad moved, second by Zaborowski to approve the change of intent in the 2012 Sheriff’s Department budget. Motion carried 5-0.

Fund Transfer 2011-212000-01: Circuit Court Services – Transfer Funds from Personnel Expenses to Interdepartmental Expenses and Operating Expenses

Madden and Snow were present to discuss this fund transfer which involves transferring \$75,000 due to more frequent indigency waivers for Guardian ad Litem appointments in Family cases based on current economic conditions. Additional funds are also needed due to higher than expected expenditures for court related security due to two lengthy trials this year in the Criminal & Traffic Division, amounting to \$54,600. Madden advised they do not typically budget for these types of trials. Also, revenues are short in all areas and hence were reduced in the 2012 budget. She went on to note that three positions were unfunded in the 2012 budget.

MOTION: Hutton moved, second by Falstad to approve Fund Transfer 2012-212000-01, Circuit Court Services. Motion carried 5-0.

Contract Procurement Process for Professional Services for the Performance Audit for Information Technology Project Management

Schubert advised the contract was awarded to Berry, Dunn, McNeil & Parker, LLC (BerryDunn), for a total contract cost of \$75,000. The County negotiated a \$1,490 reduction to get the project within the budgeted amount of \$75,000. A total of seven vendors submitted proposals for consideration. Of those seven, two were interviewed.

MOTION: Falstad moved, second by Hutton to approve the contract procurement process for professional services for the performance audit for Information Technology project management. Motion carried 5-0.

Approve Minutes of 11-16-11

MOTION: Falstad moved, second by Zaborowski to approve the minutes of November 16. Motion carried 5-0.

Schedule Next Meeting Dates

- January 18, 2012 (Canceled meeting: January 4, 2012)

Ordinance 166-O-082: Appropriate Additional Revenues And Expenditures To The Medical Examiner's 2011 Budget

Biedrzycki and Witkowski were present. This ordinance authorizes appropriation of \$32,000 of additional Charges for Services revenues to the 2011 budget which are generated from increased cremation permits issued and higher contract revenues from autopsies than what was budgeted. These additional revenues will be used to purchase more medical services and laboratory tests, and fund expenditures for contract coverage for medical, pathologist, and deputy medical examiner assistance, vehicle fuel costs, and higher than anticipated phone charges for smart phone technology. This ordinance increases 2011 budget appropriations for operating expenses by \$27,000 from \$201,095 to \$228,095 and interdepartmental charge appropriations by \$5,000 from \$102,376 to \$107,376 to fund the above-mentioned costs.

Biedrzycki explained the cost drivers which include the following: more infant deaths this year than last year, two skeletons were sent to Texas to be evaluated for identification purposes, and some autopsies were outsourced due to staff shortages within the office. She expects higher than average additional revenues due to performing autopsies for other counties this year. In addition, they typically underestimate cremation revenues when budgeting so there will be more revenues in 2011 than what was budgeted.

MOTION: Falstad moved, second by Zaborowski to approve Ordinance 166-O-082. Motion carried 5-0.

Fund Transfer 2011-368701-01: Health & Human Services – Transfer Funds from Fixed Assets to Operating Expenses

DeMares discussed this fund transfer which involves transferring \$22,220 to help cover estimated above-budget office equipment. Old chairs and desks in patient rooms which have experienced breakage and excessive wear and tear need to be replaced. Funds are available in fixed assets for one-time building improvements or equipment replacement that were not needed this year.

MOTION: Zaborowski moved, second by Meyer to approve Fund Transfer 2011-368701-01, Health & Human Services. Motion carried 5-0.

Fund Transfer 2011-368701-02: Health & Human Services – Transfer Funds from Operating Expenses to Interdepartmental Expenses

DeMares explained this fund transfer which involves transferring \$79,000 to help cover estimated above-budget Collections Services charges for recovery on past due accounts (which generate higher revenue) in both Mental Health Center and Human Services General Fund budgets - \$31,000 and \$30,000, respectively. In addition, interdepartmental charges from the Sheriff's Department for transporting patients to the State's mental health institutes are estimated to be above-budget by \$18,000. About \$80,000 remains in the Operating Expenses account that was to be used for training and mileage reimbursement but was not expended.

MOTION: Zaborowski moved, second by Hutton to approve Fund Transfer 2011-368701-02, Health & Human Services. Motion carried 5-0.

Ordinance 166-O-080: Accept Addendum To Wisconsin Energy Independent Community Partnership (25 x 25) Grant For Geothermal Educational Material At Retzer Nature Center

Grimm discussed this ordinance to accept a \$10,000 State grant to develop materials and an exhibit to educate the public on the use of geothermal systems for energy reduction. This will include a demonstration model, signs, exhibits, brochures, etc. A local matching fund requirement of \$2,920 will be provided by time worked on this project by the Retzer Nature Center Supervisor which is already included in the 2012 budget. Staff referred to previous grants and matches (addendum) for a total project cost of \$70,720.

MOTION: Zaborowski moved, second by Falstad to approve Ordinance 166-O-080. Motion carried 5-0.

Final Report on In-Rem Foreclosure Actions

Reeves discussed her report entitled "Results of 2011 Foreclosure Process of 2007 and Prior Years' Taxes" as outlined. Of the six properties up for auction yesterday, two were sold including a residential property on White Rock Avenue in the City of Waukesha for \$15,000 (taxes, interest, and penalties totaled \$15,053.99). Someone is interested in purchasing a property on Lincoln Avenue in the City of Waukesha if the price is reduced which is likely. A 1.45-acre parcel of vacant land was purchased by the Town of Lannon for \$7,674.27 (taxes, interest, and penalties totaled \$7,674.27) which is part of their open space plan. Other properties have interested parties and the DNR will likely purchase a 15.48-acre parcel of undevelopable marsh/lowland on Beaver Dam Lake.

MOTION: Meyer moved, second by Hutton to accept the final report on In-Rem foreclosure actions. Motion carried 5-0

Ordinance 166-O-085: Approve Reclassification Of A Position In The Medical Examiner's Office

Biedrzycki spoke in favor of this ordinance when she appeared earlier in the meeting. Richter and Bellmann discussed this ordinance which abolishes a Departmental Secretary (salary range

\$36,393-\$42,010) and creates an Office Services Coordinator position (salary range \$41,406-\$52,831) in the Medical Examiner's Office. Assuming the new position is filled at the bottom of the salary range in 2012, the total cost of this position with benefits is estimated at \$67,900 for 2012. The Departmental Secretary position was budgeted at a cost estimate of \$56,300 in the 2012 budget. Therefore, the estimated shortfall of \$11,600 will need to be funded through additional position vacancy and turnover savings in 2012.

Richter said the position became vacant this fall at which time staff reviewed the duties and responsibilities. It was apparent after the study concluded that the position was under-classified. The previous position was more clerical related whereas this new position will include more managerial. A fund transfer may be necessary next year to cover some of the additional costs although said costs would be minimal.

From a private sector perspective, Hutton did not think salary should necessarily increase and people are out there with those skills. He does not agree with the precedent of adding layers to departments and unnecessarily increasing salary. Haukohl felt extra skills and extra duties usually justify extra salary, even in the private sector. Zaborowski agreed and said this position will definitely require a higher level of skills.

MOTION: Falstad moved, second by Meyer to approve Ordinance 166-O-085. Motion carried 5-0.

Ordinance 166-O-084: Approve 2011 And 2012 Salary Modifications For Park Maintenance, Public Health, And Social Work Employees

Richter reviewed this ordinance as outlined which adjusts the wage rates for employees formerly represented by three union locals. A 1.5% across-the-board increase would be made effective January 1, 2011 for all covered employees. A 2.0% across-the-board increase would be made effective December 31, 2011. Beginning with the payroll period starting July 30, 2011, the County contribution to the Wisconsin Retirement System decreased from 11.6% of salary to 5.8% for all general category employees. As of July 30, 2011 they are now required to pay one-half the contribution (5.8%). The net fiscal impact of this ordinance (wages and benefits) is -3.22%, a net County savings. The 2012 impacts have been included in the 2012 adopted budget, including retirement cost savings. Richter noted that higher health insurance premium employee co-pays to begin in January also contributed to the added County savings for 2012.

MOTION: Meyer moved, second by Falstad to approve Ordinance 166-O-084. Motion carried 4-1. Hutton voted no.

Ordinance 166-O-083: Accept Criminal Justice: Jag Smarter Sentencing Training 2009 Grant Award Through The Wisconsin Office Of Justice Assistance

Luczaj discussed this ordinance which involves accepting a \$20,153 State grant to be used to host the Research-Based Smarter Sentencing Training on January 19 and 20, 2012. Grant funding is planned to be used to pay for a consultant to conduct the training sessions estimated at \$12,000; for participant travel, conference room rental and related costs estimated at \$4,445; for printing costs estimated at \$1,500; and for countywide and Health & Human Services Department indirect cost recovery estimated at \$2,208.

Luczaj said five of the County's judges, District Attorney Brad Schimel, Sam Benedict of the Public Defender's Office, and a staff member from Probation and Parole will attend the training in addition to agency staff from several southeastern Wisconsin counties. The grant covers the cost for 50 attendees. Waukesha and Eau Claire counties were selected to host the training which will focus on cost-effective alternatives to incarceration, utilizing risk assessments for sentencing purposes, how sentencing can affect recidivism, etc.

MOTION: Meyer moved, second by Falstad to approve Ordinance 166-O-083. Motion carried 5-0.

Ordinance 166-O-081: Modify The Transportation Fund 2011 Budget For Additional State Highway Maintenance Revenues And Expenditures

Forrest and Chladil discussed this ordinance as outlined which involves accepting an additional \$350,000 in State revenues for state highway maintenance operations costs. The ordinance increases personnel cost appropriations by \$100,000 primarily for overtime, and interdepartmental charges by \$250,000 for additional state highway maintenance and snow removal work above the level anticipated in the 2011 budget. Higher fuel consumption, increased fuel prices, and repairs are factors. Forrest distributed copies of "Transportation Fund Summary – Financial Status Projection for Ordinance" which she explained as outlined. Forrest noted we have received all of our State reimbursements since October. The State is very good about reimbursing the County in a timely manner.

MOTION: Hutton moved, second by Falstad to approve Ordinance 166-O-081. Motion carried 5-0.

Fund Transfer 2011-DPW-1: Public Works – Transfer Funds from Operating Expenses to Interdepartmental Expenses

Forrest discussed this fund transfer which involves transferring \$10,000 as Central Fleet maintenance services are projected to go over the budget amount by \$5,000. Central Fleet charges include fuel for vehicles and repair/maintenance on both vehicles and generators. In addition, due to an unanticipated increase in mailings in 2011, the postage account is projected to be over budget by \$5,000.

MOTION: Zaborowski moved, second by Meyer to approve Fund Transfer 2011-DPW-1, Public Works. Motion carried 5-0.

Fund Transfer 2011-DPW-2: Public Works – Transfer Funds from Operating Expenses to Fixed Assets and Operating Expenses

Forrest discussed this fund transfer which involves transferring \$364,000 for building improvement projects that were not identified at the time of the 2011 budget development. These projects have critical importance but will not be completed by the end of 2011. Also, some projects were held back in case an emergency occurred late in the year. However, with a couple weeks remaining, staff can proceed with the projects. The transfer aligns available funds in the Public Works General Fund budget to the appropriate accounts, cost centers, and appropriations within the 2011 budget to allow for a carry-over request that meets the criteria. Said projects include repair of Administration Center emergency stairway (\$50,000); repair sidewalks and stairs at UW-Waukesha (\$60,000); power-wash and clean exterior of courthouse (\$50,000). The following Fixed Asset project will be

requested for carry over: HVAC equipment in courthouse Information Technology data center (\$90,000).

MOTION: Zaborowski moved, second by Meyer to approve Fund Transfer 2011-DPW-2, Public Works. Motion carried 5-0.

Use of Human Services Residential Funds to Assist with Homeless Program

Cummings indicated a group from SOPHIA advised the County Executive of a financial shortfall to operate a homeless shelter in the City of Waukesha due to open in a couple weeks. They received about \$25,000 to \$35,000 in pledges but need \$50,000 to operate the shelter through the middle of April. Cummings said \$25,000 that would otherwise lapse at year-end is available in the Child & Family Residential Services area of the Health & Human Services budget. The Health & Human Services contract with Hebron House, primarily to help people find permanent housing, would be amended to include payment of \$5,000 per month as needed (totaling up to \$25,000 through April). The contract will be monitored as with any other contract. Cummings believes the shelter will end up using about \$20,000. County and shelter staff will discuss more permanent solutions. To address Haukohl's concern, Cummings said using this \$25,000 will not negatively affect any other services or programs. This money would eventually lapse into the general fund.

3rd Quarter Report on General Funds

Swartz and Witkowski discussed their report entitled "9 Months – 2011 Budget Monitoring Summary Report – General Fund Operations." Staff reviewed each fund as outlined in the report which includes Emergency Preparedness, District Attorney, Circuit Court Services, Medical Examiner, Sheriff, Corporation Counsel – Child Support, Health & Human Services, Register of Deeds, UW-Extension, Parks & Land Use, Public Works, County Executive, County Board, County Clerk, Treasurer, Administration, Corporation Counsel, and Non-Departmental.

At the end of nine months in 2011, expenditures were at \$111.4 million vs. \$108.4 million for this same time period in 2010. Expenditures were at 68% of the 2011 modified budget vs. nearly 70% year-to-date as a percentage of total 2010 actuals, based on a higher 2011 modified expenditure budget base. Total year 2011 estimated expenditures are at \$157.8 million vs. the \$163.8 million modified 2011 budget.

Third quarter revenues were at \$56.1 million vs. \$56.2 million for this same time period in 2010. Revenues were at 69.5% of the 2011 modified budget vs. 71% of total 2011 actual revenues. Total year 2011 estimated revenues (excluding tax levy and fund balance) are about \$77.4 million vs. the \$80.7 million 2011 modified budget.

MOTION: Falstad moved, second by Zaborowski to accept the 3rd quarter report on General Funds. Motion carried 5-0.

3rd Quarter Report on Special Revenue Funds (Federated Library)

Swartz reviewed this report as outlined entitled "9 Month Special Revenue Fund Reports for Federated Library State/Federal Fund and CAFÉ." These were not included with the nine-month status report that was presented to the Finance Committee at their November 16th meeting.

For State/Federal funding, nine-month expenditures were at about \$913,700 or 64% of the 2011 modified budget which is \$64,200 less than nine-months 2010. Total year 2011 expenditures are estimated at \$1.35 million which is about \$75,000 lower than budgeted. Revenues at nine months were nearly \$1.3 million which is 94% of the modified 2011 budget and nearly \$110,000 higher than at nine-months 2010. Total year 2011 revenues are estimated at about \$1.37 million or nearly at the 2011 budget level.

Regarding the CAFÉ Shared Automation Fund, total year 2011 expenditures are estimated to be slightly lower than budget. Total year 2011 revenues are estimated to be \$649,000 which is nearly \$427,000 above budget. This significant amount is mainly due to a one-time transfer-in of about \$444,000 from prior year's CAFÉ fund balance as part of the transition of this program from the Waukesha Public Library to the Federated Library System.

MOTION: Falstad moved, second by Zaborowski to approve the 3rd quarter report on Special Revenues Funds (Federated Library). Motion carried 5-0.

Fund Transfer 13-133000-01: Federated Library – Transfer Funds from Interdepartmental Charges and Personnel Costs to Operating Expenses

Hennen explained this fund transfer as outlined which involves transferring \$12,000 to cover estimated above-budget operating expenditures by about \$12,000. This is mainly due to the transition of the CAFÉ Program from the Waukesha Public Library (WPL) to the Federated Library System three months earlier than planned, including three additional months of contracted IT support costs from WPL.

MOTION: Hutton moved, second by Meyer to approve Fund Transfer 13-133000-01, Federated Library. Motion carried 5-0.

Contract Procurement Process for Real Estate Acquisition Services – CTH VV Silver Spring Drive

Braun advised the contract was awarded to The Highland Group of Wisconsin, Inc., the highest rated proposer, for a total contract cost of \$65,560. The budget amount was \$100,000. A total of three vendors submitted proposals for consideration.

MOTION: Falstad moved, second by Meyer to approve the contract procurement process for real estate acquisition services – CTH VV Silver Spring Drive. Motion carried 5-0.

Chair's Executive Committee Report of 12-12-11

Haukohl highlighted the following items from the last Executive Committee meeting.

- Heard presentations on the internal audit of the Treasurer's Office, The Milwaukee 7 and how it benefits Waukesha County, and the IT project selection process.
- Heard an update on various IT projects.
- Approved five appointments.
- Discussed ideas for 2012 Wisconsin Counties Association conference breakout session topics.
- Heard standing committee reports.

State Legislative Update

Spaeth said the State Department of Corrections is operating at a deficit and is considering cutting Youth Aids even further. For 2012, \$400,000 or 10% was cut from the County's budget and State staff are suggesting an additional 7% cut. Spaeth said she and others will lobby against the additional loss of funding as this would have a severe detrimental impact on counties.

Spaeth indicated that Outagamie, Milwaukee, and Walworth counties have decided to get out of Wisconsin Counties Association lobbying.

Haukohl asked Spaeth to advise her of any State issues involving policy changes or changes in administrative rules that affect counties whereby Haukohl referred to changes made on the State level with family group homes. Spaeth said one issue currently being worked on with the State is getting some or all of the 911 dollars returned to counties.

Hutton left the meeting at 11:37 a.m.

Future Agenda Items

- Educational Presentation on WCEDC (Haukohl)

Closed Session

MOTION: Meyer moved, second by Falstad to go into closed session at 11:37 a.m. pursuant to Wis. Stats. 19.85(1)(g) to confer with legal counsel on approval of a full and final compromise agreement and indemnity agreement in the matter of DeLaPaz vs. Waukesha County, WC #2010021924, and to approve the closed session minutes of May 18, 2011. Motion carried 4-0.

MOTION: Meyer moved, second by Falstad to return to open session at 11:51 a.m. Motion carried 4-0.

MOTION: Falstad moved, second by Zaborowski to approve the full and final compromise agreement and indemnity agreement that were presented and are on file with the County Clerk. Motion carried 4-0.

MOTION: Zaborowski moved, second by Falstad to adjourn at 11:54 a.m. Motion carried 4-0.

Respectfully submitted,

Pamela Meyer
Secretary